

**THIRD PARTY ADMINISTRATOR ACT (EXCERPT)**  
**Act 218 of 1984**

**550.902 Definitions.**

Sec. 2. As used in this act:

(a) "Administrative services manager" or "manager" means an individual responsible for conducting the daily operations of a third party administrator.

(b) "Benefit plan" or "plan" means a medical, surgical, dental, vision, or health care benefit plan and may include coverage under a policy or certificate issued by a carrier.

(c) "Board" means the TPA advisory board created under section 19.

(d) "Carrier" means any of the following:

(i) An insurer which is regulated pursuant to the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being sections 500.100 to 500.8302 of the Michigan Compiled Laws.

(ii) A medical care corporation regulated pursuant to Act No. 108 of the Public Acts of 1939, being sections 550.301 to 550.316 of the Michigan Compiled Laws.

(iii) A hospital service corporation regulated pursuant to Act No. 109 of the Public Acts of 1939, being sections 550.501 to 550.517 of the Michigan Compiled Laws.

(iv) A health care corporation regulated pursuant to the nonprofit health care corporation reform act, Act No. 350 of the Public Acts of 1980, being sections 550.1101 to 550.1704 of the Michigan Compiled Laws.

(v) A health maintenance organization regulated under part 210 of the public health code, Act No. 368 of the Public Acts of 1978, being sections 333.21001 to 333.21099 of the Michigan Compiled Laws.

(vi) A dental care corporation regulated pursuant to Act No. 125 of the Public Acts of 1963, being sections 550.351 to 550.373 of the Michigan Compiled Laws.

(e) "Commissioner" means the commissioner of insurance of this state.

(f) "ERISA" means the employee retirement income security act of 1974, as amended, Public Law 93-406, 88 Stat. 829.

(g) "Person" means an individual, sole proprietorship, partnership, corporation, association, or any other legal entity.

(h) "Personal data" means any record or information pertaining to the diagnosis, treatment, or health of an individual covered by a plan.

(i) "Processes claims" means the administrative services performed in connection with a claim for benefits under a plan.

(j) "Service contract" means the written agreement for the provision of administrative services between the TPA and a plan, a sponsor of a plan, or a carrier.

(k) "Third party administrator" or "TPA" means a person who processes claims pursuant to a service contract and who may also provide 1 or more other administrative services pursuant to a service contract, other than under a worker's compensation self-insurance program pursuant to section 611 of the worker's disability compensation act of 1969, Act No. 317 of the Public Acts of 1969, being section 418.611 of the Michigan Compiled Laws. Third party administrator does not include a carrier or employer sponsoring a plan.

**History:** 1984, Act 218, Eff. Jan. 1, 1985.